

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2005 Legislative Year

Status as of October 3, 2005

D - Vetoed Bills

Bill Number Version	Author	Summary	Board Position	Status
AB 78	Pavley	PBM Disclosure Requirements	Support	09/29/2005- Vetoed by Governor
V-09/29/2005		Requires a pharmaceutical benefit manager (PBM) to disclose to purchasers specified information regarding its rebate arrangements and administrative fees. Also establishes requirements with regard to pharmacy benefits management contracts.		

Governor's Veto Message:

I am returning Assembly Bill (AB) 78 without my signature. This bill would require pharmacy benefit managers (PBMs) to provide their clients access to detailed information about rebates and other revenue that the pharmacy benefit manager receives from pharmaceutical manufacturers, brokers, consultants or other intermediaries. This measure is a variation on AB 1960 from 2004 which I vetoed. Although different in details, the main point of AB 78, as with AB 1960, is to compel PBMs to reveal their internal financial arrangements to their clients and potential clients. I vetoed AB 1960 because I believed then that it would have the unintended consequence of increasing drug costs to health plans and other purchasers without providing any real consumer benefit. I have seen no new information to cause me to change that opinion.

AB 310	Umberg	Investment Plans: Mandatory Defined Contribution Plans		09/29/2005- Vetoed by Governor
V-09/29/2005		Imposes specified requirements on mandatory defined contribution plans established for state and local government employees and for the investment providers performing services for such plans.		

Governor's Veto Message:

I am returning Assembly Bill 310 without my signature. If a mandatory defined contribution plan is established for state and local government employees, I believe that the qualifications and standards for its investment providers is an extremely important consideration. Absent such a plan, this bill is unnecessary.
